



2003 Award Winner

Stoner, Inc.

Stoner, Inc. is a small, family-owned business located in Lancaster County, the heart of Pennsylvania Amish country. The company was founded more than 60 years ago by Paul Stoner, an orphan, chemist, and entrepreneur who started the business by making printing inks. In 1986, the company was purchased by Paul Stoner's grandson, Rob Ecklin, who repositioned the company for growth and evolved the product line to more than 300 specialized cleaners, lubricants, coatings and car care products. Today, Stoner is the largest supplier in the United States of aerosol and bulk release agents for plastics and other molded materials. In other markets, which include automotive car care and electronics cleaning, Stoner is a niche player but is still highly competitive with much larger companies.

Small Company, Big Results

With 43 full- and five part-time employees, Stoner is the smallest business ever to receive the Malcolm Baldrige National Quality Award. But you would not know that by looking at its results, highly effective business structure and corporate vision—to enjoy exceptional *business results* and personal fulfillment with a *highly effective team* that provides high-value solutions to *lifetime customers*. Since the early 1990s, Stoner has increased sales 400 percent and has won three times as many customers as it has lost.

Stoner, Inc. President Rob Ecklin personally managed the company throughout the 1980s. While Ecklin is still the sole owner, in 1990 he empowered a six-member senior

Highlights

- Stoner's sales have increased 400 percent since 1990.
- Manufacturing productivity has increased 150 percent since 1991.
- Stoner has had steady increases in employee satisfaction and has exceeded best-in-class benchmarks.
- Since 2000, Stoner has reduced the amount of hazardous chemicals used by 31 percent.

leadership team to manage the business. These hands-on leaders facilitate strategic planning, develop team processes, and mentor team members to implement the company's strategy. The company's core values—*exceed customer expectations*, foster and develop a *motivated team*, be *safety/health/environment* responsible, *innovate* new and better solutions, and *continuously improve*—guide all aspects of Stoner's business culture.

A Simple Approach—Leadership, Strategy, Process

At the heart of Stoner's success is the Stoner Excellence System, visualized as a pyramid with leadership at the top, supported by strategy and process. Stakeholder Value has a prominent place in the center of the system and is surrounded by Assess, Improve, Implement—the company's simple, but effective, three-step process for continuous improvement. All Stoner employees, known as team members, understand that continuous improvement is the key to sustaining competitive success and are focused on finding and implementing ways to add value for customers.

Stoner's Advisory Board, which includes people outside of the company, is another resource to help provide direction and focus to the strategic planning process and advice on priority improvements. The board helps evaluate risk, assess leadership effectiveness, and oversee financial and ethical governance.

The leadership team uses a scorecard called "Stoner 60" to set goals and measure business initiatives. The scorecard identifies 60 key operational measurements, linked goals, and strategic milestones for each of the next five years. Senior



leaders regularly monitor and discuss business results; compare them to the Stoner 60 goals; and develop improvement action items at weekly, monthly, and quarterly meetings. Stoner also uses an integrated key indicator database, known as "Key 1," to collect, analyze, and deploy data to help in daily decision-making. The database helps to spot emerging trends that require corrective action or reallocation of resources.

To manage data and increase customer satisfaction, Stoner implemented an enterprise resource planning system that has helped ensure that 100 percent of orders are shipped on the same day they are received and has reduced shipping errors to less than 0.05 percent of all orders shipped.

Outpacing Its Competitors

Creating stakeholder value at Stoner begins with the customer. Product managers meet with more than 100 customers per year and sales team members speak by phone with more than 1,000 customers each week to help define the company's direction based on what their customers want or need. Since 2000, Stoner has won three times as many customers as it has lost and over the past five years has retained more than 98 percent of its top customers—those accounting for over 60 percent of the business. Results from a national industry survey show that Stoner's attention to its customers pays off. The company ranks first in satisfaction on four of the five factors most important to its customers: quality, delivery, service, and value. It is in the top quartile for the fifth factor, price. Other stakeholders include Stoner's owner, Rob Ecklin; team members; suppliers; and the community.

Through clearly articulated goals, the company's vision and mission, its strategic objectives, its values and beliefs, and the established Stoner Excellence System process, Team Stoner has achieved remarkable results. Stoner, Inc. has sustained consistent profitability that has grown along with its sales, fueling the company's improvement initiatives and growth. Manufacturing productivity has increased 150 percent since 1991, and weekly average output of aerosol can products has increased 33 percent from 1998 to 2003. Stoner's 39 percent return on assets exceeds the industry average by 29 percent and its best competitor by 14 percent.

The company's detailed approach to continuous improvement also has led to a significant increase in Stoner's automotive market share for its glass cleaner, "Invisible Glass," from 5 percent in June 2002 to 29 percent in October 2003, gaining more than 15,000 retail outlets.

As a chemical specialty company, Stoner is well aware of the impact its products could have on the environment. One of the more attractive aspects of Stoner to consumers is its commitment to developing environmentally friendly products. Stoner has reduced the amount of hazardous chemicals used since 2000 by 31 percent, and its use of more environmentally friendly water-based formulations has increased by 74 percent.

Motivated Employees, Team Culture

According to its team members, Stoner, Inc. is a great place to work and they take pride in the company's ethical business culture. A team member survey conducted by the Hogan Center for Performance Excellence shows that Stoner scored in the top 10 percent of companies surveyed. Stoner team members are more satisfied with the content and quality of training they receive (83 percent vs. 72 percent for the survey average); believe that their company provides high-quality products and services (98 percent vs. 91 percent); believe that management views quality as being at least as important as getting the work out (94 percent vs. 71 percent); and believe that their customers would rate their company as one of the best to do business with (96 percent vs. 90 percent). Stoner's overall favorable percentage of satisfied team members has increased from 72.8 percent in January 2002 to 79.5 percent in July 2003—exceeding the benchmark of 64.8 percent. Overall morale of Stoner team members has increased from 64.6 percent of team members who are enthusiastic about their jobs in January 2002 to 74.5 percent in July 2003, exceeding the benchmark of 60.5 percent.

Such high ratings are attributable not only to the priority Stoner, Inc. gives to its value-based corporate culture but also to the investment the company makes in its people. New team members receive a two-week orientation before starting their jobs. In addition to ethics and safety training, new team members spend one day shadowing every job in the company and have a personal meeting with the company president.

Reaching Out to the Community

As a successful business located in a small, rural area, Stoner, Inc. is a vital and responsible member of the local community. Stoner contributes more than \$30,000 annually—a fourfold increase in the past five years—to various organizations, including \$5,000 to fully fund the Junior Achievement program in the local elementary school and \$5,000 to sponsor the local art museum. Stoner team members also volunteer more than 1,000 hours to local organizations, especially those supporting children's causes, community development, and promotion of business excellence. The Spina Bifida Association, the Lancaster Boys Club, and the Occupational Development Council that supports handicapped workers are all beneficiaries of Stoner, Inc.'s involvement in the community.

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